



Republic of the Philippines
Supreme Court
 Baguio City

SECOND DIVISION

**ESPERANZA SUPAPO and the HEIRS
 OF ROMEO SUPAPO, namely:
 ESPERANZA, REX EDWARD,
 RONALD TROY, ROMEO, JR.,
 SHEILA LORENCE, all surnamed
 SUPAPO, and SHERYL FORTUNE
 SUPAPO-SANDIGAN ,**
 Petitioners,

G.R. No. 198356

Present:

CARPIO, *J.*, Chairperson,
 BRION,
 DEL CASTILLO,
 MENDOZA, and
 LEONEN, *JJ.*

- versus -

**SPOUSES ROBERTO and SUSAN DE
 JESUS, MACARIO BERNARDO, and
 THOSE PERSONS CLAIMING
 RIGHTS UNDER THEM,**
 Respondents.

Promulgated:

20 APR 2015

X-----X

DECISION

BRION, J.:

We resolve the petition for review on *certiorari*¹ filed by petitioners Esperanza Supapo and Romec Supapo² (*Spouses Supapo*) to assail the February 25, 2011 decision³ and August 25, 2011 resolution⁴ of the Court of Appeals (*CA*) in CA-G.R. SP No. 111674.

¹ *Rollo*, pp. 8-28. The petition is filed under Rule 45 of the Rules of Court.

² Romeo Supapo is now deceased and substituted by his heirs Rex Edward, Ronald Troy, Romeo, Jr., Sheila Lorence, all surnamed Supapo, and Sheryl Fortune Supapo-Sandigan.

³ *Rollo*, pp. 30-40. Associate Justice Romeo F. Barza penned the assailed decision, and concurred in by Associate Justices Ramon R. Garcia and Florito S. Macalino.

⁴ *Id.* at 42-43.

Factual Antecedents

The Spouses Supapo filed a complaint⁵ for *accion publiciana* against Roberto and Susan de Jesus (*Spouses de Jesus*), Macario Bernardo (*Macario*), and persons claiming rights under them (collectively, the *respondents*), with the Metropolitan Trial Court (*MeTC*) of Caloocan City.

The complaint sought to compel the respondents to vacate a piece of land located in Novaliches, Quezon City, described as Lot 40, Block 5 (*subject lot*). The subject lot is covered by Transfer Certificate of Title (*TCT*) No. C-28441⁶ registered and titled under the Spouses Supapo's names. The land has an assessed value of thirty-nine thousand nine hundred eighty pesos (₱39,980.00) as shown in the Declaration of Real Property Value (*tax declaration*) issued by the Office of the City Assessor of Caloocan.⁷

The Spouses Supapo did not reside on the subject lot. They also did not employ an overseer but they made sure to visit at least twice a year.⁸ During one of their visits in 1992, they saw two (2) houses built on the subject lot. The houses were built without their knowledge and permission. They later learned that the Spouses de Jesus occupied one house while Macario occupied the other one.⁹

The Spouses Supapo demanded from the respondents the immediate surrender of the subject lot by bringing the dispute before the appropriate *Lupong Tagapamayapa*. The *Lupon* issued a *Katibayan Upang Makadulog sa Hukuman* (*certificate to file action*) for failure of the parties to settle amicably.¹⁰

The Spouses Supapo then filed a criminal case¹¹ against the respondents for violation of Presidential Decree No. 772 or the *Anti-Squatting Law*.¹² The trial court convicted the respondents. The dispositive portion of the decision reads:

WHEREFORE, in view of all the foregoing, this Court finds accused ROBERTO DE JESUS, SUSAN DE JESUS and MACARIO BERNARDO, GUILTY beyond reasonable doubt for Violation of Presidential Decree No. 772, and each accused is hereby ordered to pay a fine of ONE THOUSAND PESOS (₱1,000.00), **and to vacate the subject premises.**

⁵ Id. at 62-66. The complaint filed on March 7, 2008 was docketed as Civil Case No. 08-29245 and raffled to Branch 52, MeTC, Caloocan City.

⁶ Id. at 327.

⁷ Id. at 328.

⁸ Id. at 63.

⁹ Id.

¹⁰ Id. at 329.

¹¹ The case docketed as Criminal Case No. C-45610 was raffled to the Regional Trial Court of Caloocan City, Branch 131.

¹² Penalizing Squatting and Other Similar Acts dated August 20, 1975.

SO ORDERED.¹³ (Emphasis supplied.)

The respondents appealed their conviction to the CA.¹⁴ While the appeal was pending, Congress enacted Republic Act (RA) No. 8368, otherwise known as “*An Act Repealing Presidential Decree No. 772,*” which resulted to the dismissal of the criminal case.¹⁵

On April 30, 1999, the CA’s dismissal of the criminal case became final.¹⁶

Notwithstanding the dismissal, the Spouses Supapo moved for the execution of the respondents’ civil liability, praying that the latter vacate the subject lot. The Regional Trial Court (RTC) granted the motion and issued the writ of execution. The respondents moved for the quashal of the writ but the RTC denied the same. The RTC also denied the respondents’ motion for reconsideration.

The respondents thus filed with the CA a petition for *certiorari* to challenge the RTC’s orders denying the quashal of the writ and the respondent’s motion for reconsideration.¹⁷ The CA granted the petition and held that with the repeal of the *Anti-Squatting Law*, the respondents’ criminal and civil liabilities were extinguished.¹⁸ The dispositive portion of the decision reads:

WHEREFORE, premises considered, the petition for certiorari with prayer for injunction is **GRANTED**. The orders dated June 5, 2003 and July 24, 2003 of Branch 131 of the Regional Trial Court of Caloocan City in Criminal Case No. C-45610 are **REVERSED** and **SET ASIDE**. Said court is hereby permanently **ENJOINED** from further executing or implementing its decision dated March 18, 1996.

SO ORDERED.

The CA, however, underscored that the repeal of the *Anti-Squatting Law* does not mean that people now have unbridled license to illegally occupy lands they do not own, and that it was not intended to compromise the property rights of legitimate landowners.¹⁹ In cases of violation of their property rights, the CA noted that recourse may be had in court by filing the proper action for recovery of possession.

The Spouses Supapo thus filed the complaint for *accion publiciana*.²⁰

¹³ *Rollo*, p. 335.

¹⁴ The appeal was docketed as CA-G.R. No. 19538 and raffled to the 8th Division.

¹⁵ *Rollo*, pp. 337-350.

¹⁶ *Id.* at 351. As shown in the Entry of Judgment.

¹⁷ The case was docketed as CA-G.R. SP. No. 78649 and raffled to the 4th Division.

¹⁸ *Rollo*, pp. 353-357.

¹⁹ Citing the decision of this Court in *Tuates v. Judge Bersamin*, G.R. No.138962, October 4, 2002, 390 SCRA 458 (2002).

²⁰ *Rollo*, p. 25.

After filing their Answer,²¹ the respondents moved to set their affirmative defenses for preliminary hearing²² and argued that: (1) there is another action pending between the same parties; (2) the complaint for *accion publiciana* is barred by statute of limitations; and (3) the Spouses Supapo's cause of action is barred by prior judgment.

The MeTC Ruling²³

The MeTC denied the motion to set the affirmative defenses for preliminary hearing. It ruled that the arguments advanced by the respondents are evidentiary in nature, which at best can be utilized in the course of the trial. The MeTC likewise denied the respondents' motion for reconsideration.

From the MeTC's ruling, the respondents filed a petition for *certiorari* with the RTC.²⁴

The RTC Ruling²⁵

The RTC granted the petition for *certiorari* on two grounds, *viz.*: (i) the action has prescribed; and (ii) *accion publiciana* falls within the exclusive jurisdiction of the RTC.

It held that in cases where the only issue involved is possession, the MeTC has jurisdiction if the action for forcible entry or unlawful detainer is filed within one (1) year from the time to demand to vacate was made. Otherwise, the complaint for recovery of possession should be filed before the RTC.

The dispositive portion of the RTC decision reads:

WHEREFORE, premises considered, the instant petition is hereby **GRANTED**.

The Orders dated October 24, 2008 and February 23, 2009 are hereby declared **NULL** and **VOID**.

The Public Respondent is hereby directed to **DISMISS** Civil Case No. 08-29245 for **lack of jurisdiction**.

SO ORDERED.²⁶

In their motion for reconsideration,²⁷ the Spouses Supapo emphasized that the court's jurisdiction over an action involving title to or possession of

²¹ Id. at 93-101.

²² Id. at 115-116.

²³ Id. at 139 and 147-148.

²⁴ Id. at 149-160. Docketed as C-960 and filed under Rule 65 of the Rules of Court with prayer for temporary restraining order and/or preliminary injunction.

²⁵ Id. at 276-279. The decision was promulgated on June 30, 2009.

²⁶ Id. at 279.

land is determined by its assessed value; that the RTC does not have an exclusive jurisdiction on all complaints for *accion publiciana*; and that the assessed value of the subject lot falls within MeTC's jurisdiction.

The RTC denied the petitioners' motion for reconsideration.

It held that although the MeTC had jurisdiction based on the assessed value of the subject lot, the Spouses Supapos' cause of action had already prescribed, the action having been filed beyond the ten (10)-year prescriptive period under Article 555 of the Civil Code.²⁸ As it was not proven when the actual demand to vacate was made, the RTC ruled that the reckoning period by which the ejectment suit should have been filed is counted from the time the certificate to file action was issued. The certificate to file action was issued on November 25, 1992, while the complaint for *accion publiciana* was filed only on March 7, 2008, or more than ten (10) years thereafter.

Dissatisfied with the RTC ruling, the Spouses Supapo appealed to the CA.²⁹

The CA Ruling³⁰

The CA dismissed the appeal and held that the complaint for *accion publiciana* should have been lodged before the RTC and that the period to file the action had prescribed.

The dispositive portion of the CA decision reads:

WHEREFORE, the appeal is **DENIED**. The Decision dated June 30, 2009 and Order dated October 19, 2009 are **AFFIRMED**.

SO ORDERED.

The Spouses Supapo moved³¹ but failed³² to secure a reconsideration of the CA decision; hence, they came to us through the present petition.

The Petition

In seeking reversal of the CA's ruling, the Spouses Supapo essentially argue that:

²⁷ Id. at 280-284.

²⁸ Art. 555. A possessor may lose his possession:

x x x x

(4) By the possession of another, subject to the provisions of Article 537, if the new possession has lasted longer than one year. But the real right of possession is not lost till after the lapse of ten years.

²⁹ *Rollo*, pp. 298-310. The Spouses Supapo reiterated in their appeal arguments previously raised in the RTC.

³⁰ *Supra* notes 2 and 3.

³¹ *Rollo*, pp. 50-60.

³² *Supra* note 3.

- (1) the MeTC exercises exclusive original jurisdiction over *accion publiciana* where the assessed value of the property does not exceed ₱20,000.00, or ₱50,000.00 if the property is located in Metro Manila; and that
- (2) prescription had not yet set in because their cause of action is imprescriptible under the Torrens system.

The Respondents' Case³³

The respondents argue that the complaint for *accion publiciana* was (1) filed in the wrong court; (2) barred by prescription; and (3) barred by *res judicata*.

Issues

The issues for resolution are:

- I. Whether the MeTC properly acquired jurisdiction;
- II. Whether the cause of action has prescribed; and
- III. Whether the complaint for *accion publiciana* is barred by *res judicata*.

Our Ruling

The petition is meritorious.

We hold that: (1) the MeTC properly acquired jurisdiction; (2) the cause of action has not prescribed; and (3) the complaint is not barred by *res judicata*.

Accion Publiciana and the Jurisdiction of the MeTC

Accion publiciana is an ordinary civil proceeding to determine the better right of possession of realty independent of title. It refers to an *ejectment suit* filed after the expiration of one year from the accrual of the cause of action or from the unlawful withholding of possession of the realty.³⁴

In the present case, the Spouses Supapo filed an action for the recovery of possession of the subject lot but they based their better right of possession on a claim of ownership.

³³ *Rollo*, pp. 361-365.

³⁴ *Vda. de Aguilar v. Alfaro*, G.R. No. 164402, July 5, 2010, 623 SCRA 130, 140.

This Court has held that the objective of the plaintiffs in *accion publiciana* is to recover possession only, not ownership. However, where the parties raise the issue of ownership, the courts may pass upon the issue to determine who between the parties has the right to possess the property.³⁵

This adjudication is not a final determination of the issue of ownership; it is only for the purpose of resolving the issue of possession, where the issue of ownership is inseparably linked to the issue of possession. The adjudication of the issue of ownership, being provisional, is not a bar to an action between the same parties involving title to the property. The adjudication, in short, is not conclusive on the issue of ownership.³⁶

Thus, while we will dissect the Spouses Supapo's claim of ownership over the subject property, we will only do so to determine if they or the respondents should have the right of possession.

Having thus determined that the dispute involves possession over a real property, we now resolve which court has the jurisdiction to hear the case.

Under Batas Pambansa Bilang 129,³⁷ the jurisdiction of the RTC over actions involving title to or possession of real property is plenary.³⁸

RA No. 7691,³⁹ however, divested the RTC of a portion of its jurisdiction and granted the Metropolitan Trial Courts, Municipal Trial Courts and Municipal Circuit Trial Courts the exclusive and original jurisdiction to hear actions where the assessed value of the property does not exceed Twenty Thousand Pesos (₱20,000.00), or Fifty Thousand Pesos (₱50,000.00), if the property is located in Metro Manila.

Section 1 of RA No. 7691 states:

Section 1. Section 19 of Batas Pambansa Blg. 129, otherwise known as the "Judiciary Reorganization Act of 1980," is hereby amended to read as follows:

Section. 19. *Jurisdiction in civil cases.* - **Regional Trial Courts shall exercise exclusive original jurisdiction:**

(2) In all civil actions which involve the title to, or **possession** of, real property, or any interest therein, where **the assessed value of the property involved exceeds Twenty thousand pesos (₱20,000.00) or, for civil actions**

³⁵ Id.

³⁶ Id.

³⁷ Entitled "An Act Reorganizing the Judiciary, Appropriating Funds Therefor, and For Other Purposes" approved on August 14, 1981.

³⁸ *Abrin v. Campos*, G.R. No. 52740, November 12, 1991, 203 SCRA 420, 424.

³⁹ "An Act Expanding the Jurisdiction of the Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts, Amending for the Purpose Batas Pambansa Blg. 129, Otherwise Known as the 'Judiciary Reorganization Act of 1980.'" Approved March 25, 1994.

in Metro Manila, where such value exceeds Fifty thousand pesos (₱50,000.00) x x x. (Emphasis supplied.)

Section 3 of the same law provides:

Section. 3. Section 33 of the same law is hereby amended to read as follows:

Section. 33. *Jurisdiction of Metropolitan Trial Courts, Municipal Trial Courts and Municipal Circuit Trial Courts in Civil Cases.* - **Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts shall exercise:**

X X X X

(3) Exclusive original jurisdiction in all civil actions which involve title to, or **possession** of, real property, or any interest therein where **the assessed value of the property or interest therein does not exceed Twenty thousand pesos (₱20,000.00) or, in civil actions in Metro Manila, where such assessed value does not exceed Fifty thousand pesos (₱50,000.00)** exclusive of interest, damages of whatever kind, attorney's fees, litigation expenses and costs x x x. (Emphasis supplied.)

In view of these amendments, jurisdiction over actions involving title to or possession of real property is now *determined by its assessed value*.⁴⁰ The assessed value of real property is its fair market value multiplied by the assessment level. It is synonymous to taxable value.⁴¹

In *Quinagoran v. Court of Appeals*,⁴² we explained:

[D]oes the RTC have jurisdiction over all cases of recovery of possession regardless of the value of the property involved?

The answer is no. The doctrine on which the RTC anchored its denial of petitioner's Motion to Dismiss, as affirmed by the CA -- that all cases of recovery of possession or accion publiciana lies with the regional trial courts regardless of the value of the property -- no longer holds true. As things now stand, **a distinction must be made between those properties the assessed value of which is below ₱20,000.00, if outside Metro Manila; and ₱50,000.00, if within.**⁴³ (Emphasis supplied.)

In this regard, the complaint must allege the assessed value of the real property subject of the complaint or the interest thereon to determine which court has jurisdiction over the action. This is required because the nature of

⁴⁰ See *Quano v. PGGT International Investment*, 434 Phil. 28 (2002); *Hilario v. Salvador*, 497 Phil. 327 (2005); *Heirs of Sebe v. Heirs of Sevilla*, 618 Phil. 395 (2009); *Padre v. Badillo*, G.R. No. 165423, January 19, 2011, 640 SCRA 50, 66.

⁴¹ *Hilario v. Salvador*, *supra* note 40; *BF Citiland Corp. v. Otake*, G.R. No. 173351, July 29, 2010, 220 SCRA 220, 229.

⁴² 557 Phil. 650, 657 (2007).

⁴³ *Id.*

the action and the court with original and exclusive jurisdiction over the same is determined by the material allegations of the complaint, the type of relief prayed for by the plaintiff, and the law in effect when the action is filed, irrespective of whether the plaintiffs are entitled to some or all of the claims asserted therein.⁴⁴

In the present case, the Spouses Supapo alleged that the assessed value of the subject lot, located in Metro Manila, is ₱39,980.00. This is proven by the tax declaration⁴⁵ issued by the Office of the City Assessor of Caloocan. The respondents do not deny the genuineness and authenticity of this tax declaration.

Given that the Spouses Supapo duly complied with the jurisdictional requirements, we hold that the MeTC of Caloocan properly acquired jurisdiction over the complaint for *accion publiciana*.

The cause of action has not prescribed

The respondents argue that the complaint for *accion publiciana* is dismissible for being filed out of time.

They invoke Article 555 of the Civil Code, which states:

Art. 555. A possessor may lose his possession:

X X X X

(4) By the possession of another, subject to the provisions of Article 537, **if the new possession has lasted longer than one year. But the real right of possession is not lost till after the lapse of ten years.** (Emphasis supplied.)

The respondents point out that the Spouses Supapo filed the complaint for *accion publiciana* on March 7, 2008 or more than ten (10) years after the certificate to file action was issued on November 25, 1992. The respondents contend that the Spouses Supapo may no longer recover possession of the subject property, the complaint having been filed beyond the period provided by law.

Further, while the respondents concede that the Spouses Supapo hold a TCT over the subject property, and assuming a Torrens title is imprescriptible and indefeasible, they posit that the latter have lost their right to recover possession because of laches.

On their part, the Spouses Supapo admit that they filed the complaint for *accion publiciana* more than ten (10) years after the certificate to file

⁴⁴ Id.

⁴⁵ *Supra* note 7.

action was issued. Nonetheless, they argue that their cause of action is imprescriptible since the subject property is registered and titled under the Torrens system.

We rule that the Spouses Supapo's position is legally correct.

At the core of this controversy is a parcel of land registered under the Torrens system. The Spouses Supapo acquired the TCT on the subject lot in 1979.⁴⁶ Interestingly, *the respondents do not challenge the existence, authenticity and genuineness of the Supapo's TCT.*⁴⁷

In defense, the respondents rest their entire case on the fact that they have allegedly been in actual, public, peaceful and uninterrupted possession of the subject property in the concept of an owner since 1992. The respondents contend that they built their houses on the subject lot in good faith. Having possessed the subject lot for more than ten (10) years, they claim that they can no longer be disturbed in their possession.⁴⁸

Under the undisputed facts of this case, we find that the respondents' contentions have no legal basis.

In a long line of cases, we have consistently ruled that *lands covered by a title cannot be acquired by prescription or adverse possession*. We have also held that a claim of acquisitive prescription is baseless when the land involved is a registered land because of Article 1126⁴⁹ of the Civil Code in relation to Act 496 [now, Section 47 of Presidential Decree (PD) No. 1529⁵⁰].⁵¹

The Spouses Supapo (as holders of the TCT) enjoy a panoply of benefits under the Torrens system. The most essential insofar as the present case is concerned is Section 47 of PD No. 1529 which states:

Section 47. *Registered land not subject to prescriptions.* No title to registered land in derogation of the title of the registered owner shall be acquired by prescription or adverse possession.

In addition to the imprescriptibility, the person who holds a Torrens Title over a land is also entitled to the possession thereof.⁵² The right to

⁴⁶ *Supra* note 6. The Registered of Deeds of Caloocan issued the TCT on October 15, 1979.

⁴⁷ *Rollo*, pp. 96-97 (Pages 3 and 4 of Spouses de Jesus' answer to the complaint for *accion publiciana*). The respondents merely note that there is allegedly a pending case in which the Republic of the Philippines filed an action against the Spouses Supapo's predecessor-in-interest to annul the latter's derivative title.

⁴⁸ *Id.*

⁴⁹ Article 1126 of the Civil Code provides:

Art. 1126. Against a title recorded in the Registry of Property, ordinary prescription of ownership or real rights shall not take place to the prejudice of a third person, except in virtue of another title also recorded; and the time shall begin to run from the recording of the latter.

⁵⁰ Amending and Codifying the Laws Relative to Registration of Property and for Other Purposes, dated June 11, 1978.

⁵¹ *Spouses Ragudo v. Fabella Estate Tenants Association, Inc.*, 503 Phil. 751,763 (2005).

⁵² *Supra* note 34.

possess and occupy the land is an attribute and a logical consequence of ownership.⁵³ Corollary to this rule is the right of the holder of the Torrens Title to eject any person illegally occupying their property. Again, this right is imprescriptible.⁵⁴

In *Bishop v. CA*,⁵⁵ we held that even if it be supposed that the holders of the Torrens Title were aware of the of other persons' occupation of the property, **regardless of the length of that possession**, the lawful owners have a right to demand the return of their property at any time as long as the possession was unauthorized or merely tolerated, if at all.⁵⁶

Even if the defendant attacks the Torrens Title because of a purported sale or transfer of the property, we still rule in favor of the holder of the Torrens Title if the defendant cannot adduce, in addition to the deed of sale, a duly-registered certificate of title proving the alleged transfer or sale.

A case in point is *Umpoc v. Mercado*⁵⁷ in which we gave greater probative weight to the plaintiff's TCT *vis-à-vis* the contested unregistered deed of sale of the defendants. Unlike the defendants in *Umpoc*, however, the respondents did not adduce a single evidence to refute the Spouses Supapo's TCT. With more reason therefore that we uphold the indefeasibility and imprescriptibility of the Spouses Supapo's title.

By respecting the imprescriptibility and indefeasibility of the Spouses Supapo's TCT, this Court merely recognizes the value of the Torrens System in ensuring the stability of real estate transactions and integrity of land registration.

We reiterate for the record the policy behind the Torrens System, *viz.*:

The Government has adopted the Torrens system due to its being the most effective measure to guarantee the integrity of land titles and to protect their indefeasibility once the claim of ownership is established and recognized. If a person purchases a piece of land on the assurance that the seller's title thereto is valid, he should not run the risk of being told later that his acquisition was ineffectual after all, which will not only be unfair to him as the purchaser, but will also erode public confidence in the system and will force land transactions to be attended by complicated and not necessarily conclusive investigations and proof of ownership. The further consequence will be that land conflicts can be even more abrasive, if not even violent.⁵⁸

⁵³ See Articles 427 and 428 of the Civil Code.

⁵⁴ *Bishop v. CA*, G.R. No. 86787, May 8, 1992, 208 SCRA 636, 641.

⁵⁵ *Id.*

⁵⁶ See *Arroyo v. BIDECO*, G.R. No. 167880, November 14, 2012, 685 SCRA 430; *Labrador v. Perlas*, G.R. No. 173900, August 9, 2010, 627 SCRA 265; *Tolentino v. Laurel*, G.R. No. 181368, February 22, 2012, 666 SCRA 561; *Ungria v. CA*, G.R. No. 165777, July 25, 2011, 654 SCRA 314. See also *Tuason v. Bolaños*, 95 Phil. 106 (1954); *Vda. de Recinto v. Inciong*, G.R. No. L-26083, May 31, 1977, 77 SCRA 196; and *J.M. Tuason & Co., Inc. vs. Court of Appeals*, G.R. No. L-41233, November 21, 1979, 93 SCRA 146.

⁵⁷ 490 Phil. 118, 135 (2005).

⁵⁸ *Casimiro Dev't. Corp. v. Mateo*, G.R. No. 175485, July 27, 2011, 654 SCRA 676, 686.

With respect to the respondents' defense⁵⁹ of laches, suffice it to say that the same is evidentiary in nature and cannot be established by mere allegations in the pleadings.⁶⁰ In other words, the party alleging laches must adduce in court evidence proving such allegation. This Court not being a trier of facts cannot rule on this issue; especially so since the lower courts did not pass upon the same.

Thus, without solid evidentiary basis, laches cannot be a valid ground to deny the Spouses Supapo's petition.⁶¹ On the contrary, the facts as culled from the records show the clear intent of the Spouses Supapo to exercise their right over and recover possession of the subject lot, *viz.*: (1) they brought the dispute to the appropriate Lupon; (2) they initiated the criminal complaint for squatting; and (3) finally, they filed the *accion publiciana*. To our mind, these acts negate the allegation of laches.

With these as premises, we cannot but rule that the Spouses Supapo's right to recover possession of the subject lot is not barred by prescription.

***The action is not barred
by prior judgment***

As a last-ditch effort to save their case, the respondents invoke *res judicata*. They contend that the decision of the CA in CA-G.R. SP No. 78649 barred the filing of the *accion publiciana*.

To recall, CA-G.R. SP No. 78649 is the petition for *certiorari* filed by the respondents to challenge the RTC's issuance of the writ enforcing their civil liability (*i.e.*, to vacate the subject property) arising from their conviction under the Anti-Squatting Law. The CA granted the petition and permanently enjoined the execution of the respondents' conviction because their criminal liability had been extinguished by the repeal of the law under which they were tried and convicted. It follows that their civil liability arising from the crime had also been erased.

The respondents' reliance on the principle of *res judicata* is misplaced.

Res judicata embraces two concepts: (1) *bar by prior judgment* as enunciated in Rule 39, Section 47(b) of the Rules of Civil Procedure; and (2) *conclusiveness of judgment* in Rule 39, Section 47(c).⁶²

"Bar by prior judgment" means that when a right or fact had already been judicially tried on the merits and determined by a court of competent

⁵⁹ *Rollo*, p. 364.

⁶⁰ *Unguria V. CA*, *supra* note 56.

⁶¹ *Id.*, citing *Macababbad, Jr. v. Masirag*, G.R. No. 161237, January 14, 2009, 576 SCRA 70, 87.

⁶² *SSS v. Rizal Poultry and Livestock Association, Inc.*, 650 Phil. 50, 56 (2011), citing *Rizal Commercial Banking Corporation v. Royal Cargo Corporation*, G.R. No. 179756, October 2, 2009, 602 SCRA 545, 557.

jurisdiction, the final judgment or order shall be conclusive upon the parties and those in privity with them and constitutes an absolute bar to subsequent actions involving the same claim, demand or cause of action.⁶³

The requisites⁶⁴ for *res judicata* under the concept of bar by prior judgment are:

- (1) The former judgment or order must be final;
- (2) It must be a judgment on the merits;
- (3) It must have been rendered by a court having jurisdiction over the subject matter and the parties; and
- (4) **There must be between the first and second actions, identity of parties, subject matter, and cause of action.**

Res judicata is not present in this case.

While requisites one to three may be present, it is obvious that there is no identity of subject matter, parties and causes of action between the *criminal case* prosecuted under the Anti-Squatting Law and the *civil action* for the recovery of the subject property.

First, there is no identity of parties. The criminal complaint, although initiated by the Spouses Supapo, was prosecuted in the name of the people of the Philippines. The *accion publiciana*, on the other hand, was filed by and in the name of the Spouses Supapo.

Second, there is no identity of subject matter. The criminal case involves the prosecution of a crime under the Anti-Squatting Law while the *accion publiciana* is an action to recover possession of the subject property.

And third, there is no identity of causes of action. The people of the Philippines filed the criminal case to protect and preserve governmental interests by prosecuting persons who violated the statute. The Spouses Supapo filed the *accion publiciana* to protect their proprietary interests over the subject property and recover its possession.

Even casting aside the requirement of identity of causes of action, the defense of *res judicata* has still no basis.

The concept of “conclusiveness of judgment” does not require that there is identity of causes of action provided that there is identity of issue and identity of parties.⁶⁵

⁶³ *Estate of Sotto v. Palicte, et al.*, 587 Phil. 586 (2008), citing *Heirs of Panfilo F. Abalos v. Bucal*, 569 Phil. 582 (2008); *Anillo v. Commission on the Settlement of Land Problems*, 560 Phil. 499 (2007); *Presidential Commission on Good Government v. Sandiganbayan*, 556 Phil. 664 (2007).

⁶⁴ *Heirs of Marcelino Doronio v. Heirs of Fortunato Doronio*, 565 Phil. 766 (2007); *Estate of the Late Jesus Yujuico v. Republic*, 563 Phil. 92 (2007); *Estate of the Late Encarnacion Vda. de Panlilio v. Dizon*, 562 Phil. 519 (2007); *PCI Leasing & Finance, Inc. v. Dai*, 560 Phil. 84 (2007).

⁶⁵ *Supra* note 62, citing *Noceda v. Arbizto-Directo*, G.R. No. 178495, 26 July 2010, 625 SCRA 472, 479.

Under this particular concept of *res judicata*, any right, fact, or matter in issue directly adjudicated or necessarily involved in the determination of an action before a competent court in which judgment is rendered on the merits is conclusively settled by the judgment therein and cannot again be litigated between the parties and their privies, whether or not the claim, demand, purpose, or subject matter of the two actions is the same.⁶⁶

As already explained, there is no identity of parties between the criminal complaint under the Anti-Squatting law and the civil action for *accion publiciana*. For this reason alone, “conclusiveness of judgment” does not apply.

Even if we assume, for the sake of argument, that there is identity of parties, “conclusiveness of judgment” still does not apply because there is no identity of issues. The issue in the criminal case is whether the respondents (accused therein) committed the crime alleged in the information, while the only issue in *accion publiciana* is whether the Spouses Supapo have a better right than the respondents to possess and occupy the subject property.

For all these reasons, the defense of *res judicata* is baseless.

Final Note

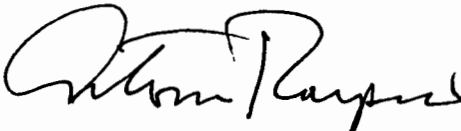
As a final note, we stress that our ruling in this case is limited only to the issue of determining who between the parties has a better right to possession. This adjudication is not a final and binding determination of the issue of ownership. As such, this is not a bar for the parties or even third persons to file an action for the determination of the issue of ownership.

WHEREFORE, premises considered, we **GRANT** the petition, and consequently **REVERSE** and **SET ASIDE** the February 25, 2011 decision and August 25, 2011 resolution of the Court of Appeals in CA-G.R. SP No. 111674.

SO ORDERED.


ARTURO D. BRION
Associate Justice


WE CONCUR:


ANTONIO T. CARPIO
Associate Justice
Chairperson

⁶⁶ Id., citing *Antonio v. Snyman Vda. de Monje*, 646 Phil. 90, 99 (2010).

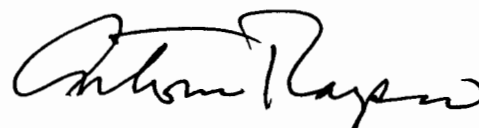

MARIANO C. DEL CASTILLO
Associate Justice


JOSE CATRAL MENDOZA
Associate Justice


MARVIC M.V.F. LEONEN
Associate Justice

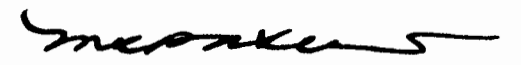
ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


ANTONIO T. CARPIO
Associate Justice
Chairperson, Second Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


MARIA LOURDES P. A. SERENO
Chief Justice